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Counsel to the Debtors and  
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

- - - - - x  
In re: : Chapter 11  
:  
CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH)  
et al., :  
:  
Debtors. : Jointly Administered  
- - - - - x

**DEBTORS' MOTION FOR ORDER SHORTENING NOTICE PERIOD AND  
LIMITING NOTICE OF DEBTORS' MOTION FOR ORDER UNDER  
BANKRUPTCY CODE SECTIONS 105, 363(b) AND 503(c)(3) APPROVING  
ADDITIONAL COMPENSATION FOR ELIGIBLE EMPLOYEES**

The debtors and debtors in possession in the  
above-captioned jointly administered cases (collectively,  
the "Debtors")<sup>1</sup> hereby move this Court (the "Motion to

<sup>1</sup> The Debtors and the last four digits of their respective taxpayer  
identification numbers are as follows: Circuit City Stores, Inc.

(cont'd)

Shorten Notice") for an order under section 102 of the title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 9006 and 9007 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") approving shortened and limited notice for Debtors' Motion for Order Under Bankruptcy Code Sections 105, 363(b) and 503(c)(3) Approving Additional Compensation for Eligible Employees (the "Employee Motion"). In support of the Motion to Shorten Notice, the Debtors respectfully represent as follows:

#### **JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

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(3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc. (6796), Sky Venture Corp. (0311), PRAHS, INC. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.

2. The statutory predicates for the relief requested herein are Bankruptcy Code section 102 and Bankruptcy Rules 2002, 9006 and 9007.

#### **BACKGROUND**

##### **A. The Bankruptcy Cases.**

3. On November 10, 2008 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code.

4. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

5. On November 12, 2008, the Office of the United States Trustee for the Eastern District of Virginia appointed a statutory committee of unsecured creditors (the "Creditors' Committee"). To date, no trustee or examiner has been appointed in these chapter 11 cases.

6. On January 16, 2009, the Court authorized the Debtors, among other things, to conduct going out of business sales at the Debtors' remaining 567 stores pursuant to an agency agreement (the "Agency Agreement") between the Debtors and a joint venture, as agent. On January 17, 2009, the Agent commenced going out of business sales pursuant to the Agency Agreement at the Debtors' remaining stores. As

of March 8, 2009, the going out of business sales at the Debtors' remaining stores had been completed.

**B. The Employee Motion**

7. Prior to the Petition Date, the Debtors provided their employees with a number of employee benefit programs (the "Employee Benefit Programs"). The Employee Benefit Programs were funded to varying degrees by contributions from the Debtors and participating employees.

8. Given the liquidation, the Debtors have, by necessity, drastically reduced their workforce. Due to this workforce reduction and given the cost to the estates, the Debtors determined to cease the Employee Benefit Programs (to the extent not already frozen) effective March 31, 2009.

9. To attempt to minimize the lost compensation and/or defray costs associated with obtaining alternate benefits, and in order to avoid further deterioration of employee morale during the difficult wind-down period, the Debtors seek to pay each Eligible Employee (as defined in the Employee Motion) a stipend of an additional \$200 per week or \$400 per pay period (the "Stipend").

**RELIEF REQUESTED**

10. By this Motion to Shorten Notice, the Debtors request entry of an order shortening the notice

period and limiting notice of the Employee Motion so that it can be heard, considered and ruled upon by the Court at the regularly scheduled omnibus hearing on April 14, 2009.

**BASIS FOR RELIEF**

11. Concurrently herewith, the Debtors filed the Employee Motion.

12. The Debtors believe it is in the best interests of the Debtors' estates, creditors and other parties in interest for the Employee Motion to be heard at the hearing on April 14, 2009 at 10:00 a.m. As set forth in the Employee Motion, the Employee Benefit Programs were terminated effective as of March 31, 2009. In order to help ensure that Eligible Employees who want to use the Stipend to purchase alternate benefits can do so promptly, the Eligible Employees need to receive the Stipend as soon as possible.

13. Moreover, the Debtors propose to provide notice of the Employee Motion to those parties entitled to notice under this Court's Order Pursuant to Bankruptcy Code Sections 102 and 105, Bankruptcy Rules 2002 and 9007, and Local Bankruptcy Rules 2002-1 and 9013-1 Establishing Certain Notice, Case Management, and Administrative Procedures (Docket No. 130). The Debtors submit that, under

the circumstances, no other or further notice need be given and in light of the circumstances, such notice is reasonably calculated to provide timely and adequate notice to the Debtors' major creditor constituencies and those parties most interested in these cases.

**WAIVER OF MEMORANDUM OF LAW**

14. Pursuant to Local Bankruptcy Rule 9013-1(G), and because there are no novel issues of law presented in the Motion to Shorten Notice and all applicable authority is set forth in the Motion to Shorten Notice, the Debtors request that the requirement that all motions be accompanied by a separate memorandum of law be waived.

**NO PRIOR REQUEST**

15. No previous request for the relief sought herein has been made to this Court or any other court.

**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court (i) enter an Order, substantially in the form annexed hereto, granting the relief requested herein, and (ii) such other and further relief as may be just and proper.

Dated: April 8, 2009  
Richmond, Virginia

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Counsel for Debtors and Debtors  
in Possession

[Proposed Order]

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 CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH)  
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**ORDER GRANTING DEBTORS' MOTION FOR ORDER SHORTENING NOTICE  
 PERIOD AND LIMITING NOTICE OF DEBTORS' MOTION FOR ORDER  
 UNDER BANKRUPTCY CODE SECTIONS 105, 363(b) AND 503(c)(3)  
 APPROVING ADDITIONAL COMPENSATION FOR ELIGIBLE EMPLOYEES**

Upon consideration of the Debtors' Motion for Order  
 Shortening Notice Period and Limiting Notice (the "Motion")  
 of Debtors' Motion for Order Under Bankruptcy Code Sections  
 105, 363(b) and 503(c)(3) Approving Additional Compensation

for Eligible Employees (the "Employee Motion"); and the Court having reviewed the Motion; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED, AND DECREED that:**

1. The Motion is GRANTED.
2. Notice of the Employee Motion is shortened so that it may be heard, considered and ruled upon by the Court at a hearing on April 14, 2009 at 10:00 a.m.
3. Notice of the Employee Motion is limited to the parties as set forth in the Motion.

4. This Court will retain jurisdiction with respect to any dispute concerning the relief granted hereunder.

Dated: Richmond, Virginia  
\_\_\_\_\_, 2009

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

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Counsel to the Debtors and Debtors in Possession

**CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)**

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Douglas M. Foley

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